

SELLING YOUR HOME AT
AUCTION

Harcourts



With you all the way



WHY SHOULD WE SELL A HOME BY AUCTION?

When selling your property, there are quite a few different methods of sale you can opt for. However, selling your home through the auction process has many benefits:

- **Experience: we have successfully managed over 4000 auction programmes.**
- **All negotiations are open and transparent.**
- **All of our auction programmes are managed by fully trained, experienced negotiators.**
- **With vendors providing builders' and LIM reports, this assists in buyer confidence.**
- **Your property gains a “special high profile marketing” programme.**
- **An auction promotion creates a finite selling time for interested buyers who are forced to act with more urgency.**
- **Your property obtains prominence through data base and e-marketing promotion through Harcourts' extensive resources.**
- **More buyers see your property because of extensive marketing.**
- **No price – attracts a wider range of buyers.**
- **You receive more market feedback.**
- **Deadline Auction Day – creates a finite selling time.**
- **An auction creates potential for a premium price through buyer competition.**
- **You control the selling price with a reserve.**
- **Your property is not undersold.**

HOW YOU MAY FEEL AS THE MARKETING OF YOUR HOME PROGRESSES

Early stage

The first advertisements have been placed. The internet photos and advertisements are activated. Window displays and LCD television advertising is now in operation. Company database, email, and text property information has been sent out to our clients. Open home invitations and agents newsletters have been sent out and property flyers have been delivered. Open homes are to be commenced.

Midway

Once the initial flurry of activity is over, we find that some people can feel really let down because no one has rushed in and offered top prices on their home. If you've had a lot of people through but it's starting to wane, it may be a good time to review the marketing with your consultant. Don't forget it's only the first stage. Buyers may be waiting for the auction day. If on the other hand, you haven't had lots of potential buyers through, remember: it's not a reflection on you or your home. Talk about it with your consultant in terms of demand, what's going on in the market. Your consultants will be giving you as much feedback as possible from the responses of all of the buyers that have seen your property.

Midweek activity

We find some vendors get concerned that there is not as much activity during the week. This is not a problem. It's better for you, your consultant and the potential buyers that activity is mainly during the weekends, especially at the open homes. If, anyone wants to see your home during the week, we will be only too happy to show them.

Auction marketing

Sometimes you may feel it's not working – we've had all these people through... we are getting feedback on the house and what people think of it. People will be doing their own research, going to other open homes, checking sold property prices, possibly getting an independent valuation, builder's report, bank finance – any number of things. They will be getting prepared for auction day. Remember, if you are feeling like this you may have only been on the market for one to two weeks. This is not a long time in terms of the average selling time. Talk to your consultant about how you feel. An auction campaign is a three to four week process. Slow activity is not a reflection on you or your home.

Just prior to auction date

You may feel nervous because you have a feeling of being "on show" on the auction day. Remember, there will be no surprises and your weekly review meetings will sum up all the activity so far. You'll know what's happening all the way. Your consultant and the auctioneer will have a meeting with you to help you set a reserve price. This is very important to get correct.

The auction day

The "on show" nerves can come again. It's not you or your house on show, and it should not be taken personally if no one bids. See it as a time of gathering up all the activity and results that have taken place up to the auction day. Many auctions are negotiated soon after the event.

After auction day

The activity that reached its pinnacle at the auction may have died down. Your consultant will be working with all those who went through but didn't bid or come to the auction. They may now be in a position to make an offer to you.

Price

We don't put a price on straightaway – it is better to keep working with the interested parties. Once that interest has been followed up, you will then put a price on the property. Have patience here – a high percentage of auctions are bought within a few days of the auction. Yours may be one of them.

Ongoing marketing

The things you can do to help:

1. Keep your home looking its best
2. Give all the help you can with price, taking into account the information that you have been given.
3. Talk to your consultant. Let them know what you are thinking.
4. Contribute to any part of the marketing you wish: better headlines perhaps, or any ideas you have and would like to use.



WHAT IF...?

What if a buyer walks in off the street?

Please refer the buyer to your sales consultant at Harcourts as they are specifically trained to deal with all buyer enquiries; simply say, “Please kindly ring Harcourts” and give them your sales consultant’s name and phone number or business card. Security of your home is very important to us. Do not let other companies’ consultants through unless they are with a Harcourts consultant. Simply ring us and we will make arrangements. We are here to help as much as possible.

What if a sign is damaged?

If the sign blows down or is damaged, please ring your consultant or ask to speak with the manager and they will arrange to either replace the sign or have it fixed immediately.

What if I feel unsure about the market conditions?

The market is constantly changing and you need to take notice of this. Your consultant can keep you up to date with possible changes in market conditions. These changes can happen quickly and you need to take these into consideration.

What if I don’t feel confident in negotiating?

Your consultant has been specially trained in negotiation and to help you through the process. Feedback from our clients tells us that this is the stage where most people need some assistance. Remember, we are always here to help you.

What if I can’t get hold of my consultant?

If for some reason you want your consultant urgently and you cannot contact them, please ring the office and speak with management. They will do everything in their power to either contact your consultant or put your problem right (0800 427 000).

What if my advert is wrong?

This should never happen because the ads are thoroughly checked; however, sometimes mistakes with newspapers are beyond our control. If your ad is incorrect, please tell your consultant.

What if I feel that there are not enough people coming through my home?

Harcourts’ system of sales is geared towards the open days and this may mean that you do not get a lot of activity during the week. This is positive from the point of view that you usually know when someone is coming through and the bulk of that should be during the weekend at open days. You can review the marketing with your consultant. We have many marketing options that we can offer you and we can change the advertising for you at any time.

What if other ‘what ifs’ arise?

It is our intention to work with you to get your home sold in the quickest possible time for the maximum amount of money. If there is anything else that is concerning you at any stage of the marketing, you must not hesitate to call your consultant in the first instance.



NEGOTIATING

The manager, auctioneer and sales consultant have been specially trained in negotiation and, if it is necessary on the auction day, they can help you through the negotiation process. They will be trying to get you the highest price possible that is available in the market place. They will do this with pre-auction offers, on auction day, or immediately after when necessary. **Use all the information you have..**

1. Number of people through
2. Time on the market
3. Marketing that's been done
4. Open home activity
5. Price: where did it come from? Get feedback from your consultant on what is happening in the market place

NOW THAT YOU HAVE SIGNED THE CONTRACT

Start planning. Over the years we have found some vendors feel a sense of relief but it's almost an anti-climactic feeling. Selling your home is an emotional process and it is normal to have a flat period soon after selling. You don't have to have it, but some people do. Relax. You have sold using a process that involves you as much as possible. You made the right decision, now its time to move on. Your lawyer handles the process from here, but don't hesitate to call us for anything you need or are unsure of.

We can recommend:

- Cleaners
- Electricians
- Handymen
- Harcourts Rental & Property Management
- Plumbers
- Builders
- Valuers

If something is not clear to you, ring and ask for the manager, office administrator or your sales consultant. They will get you the answer (0800 427 000).



WHAT HAPPENS AT SETTLEMENT TIME?

Your solicitor will ask you to come in and sign the transfer documents prior to settlement date. A time will be set for the settlement when money transfers from the purchaser's solicitor to the seller's solicitor. Once the money is received by the seller's solicitor, both solicitors will fax us giving us the authority to hand over the keys to the purchaser. Please bring into our office the keys to the property, provided we don't already hold them, so we can pass them on. If you want to make your own arrangements to give the keys to the new owner, please let us know as well. Just prior to leaving your property, you will need to get final water, power and gas readings from your suppliers and also get the landline, if you have one, transferred to your new home or have it disconnected.

Please note: WE WILL NOT HAND OVER KEYS TO THE BUYER UNTIL WE HAVE RECEIVED AUTHORITY FROM YOUR SOLICITOR.

INSURING YOUR NEW PURCHASE

If you have purchased a new home in New Zealand, it is very wise to insure your home on the settlement date; however, many insure on the unconditional date. Insurance will be a requirement of banks who lend mortgages – the seller is required in the sale and purchase agreement to retain insurance on the property until settlement date. You will need the approximate floor area of your house to give to your insurance company.

BEST PRACTICE GUIDE

AUCTION

1. General

- 1.1 When conducting the sale of a property by auction, members shall not engage in any conduct which is misleading or deceptive or is likely to mislead or deceive. This principle applies to conduct prior to, at and after the auction.

2. Before the Auction

- 2.1 Members shall not advertise a property as being for sale by auction unless there is intended to be an auction and unless a written auction authority form has been duly executed by or on behalf of the vendor.
- 2.2 Members shall provide a copy of this Code to prospective vendors prior to having them sign the auction authority.
- 2.3 Vendors must sign an acknowledgment of acceptance of the terms of this Code, which shall form part of the auction authority.
- 2.4 Prior to the auction the member shall make available for inspection the terms and conditions under which the sale of the property by auction will be undertaken.
- 2.5 If applicable the member shall specify in such terms and conditions of sale that the vendor reserves the right to bid either personally or through an agent.
- 2.6 The member shall make this Code available for inspection prior to the auction.
- 2.7 Members must make reasonable endeavours to inform all interested parties if a property is to be withdrawn from auction or is to be sold prior to auction.

3. At the Auction

- 3.1 The auctioneer shall conduct the auction at all times with integrity and in compliance with the law of New Zealand and this Code.
- 3.2 The terms and conditions of sale shall be on display and available for inspection, together with this Code, at the auction. Any portion of the terms and conditions of sale relating to the description of the property will be read aloud by the auctioneer at the commencement of the auction of that property.
- 3.3 Before commencement of the bidding for a property the auctioneer shall announce whether the vendor has set a reserve price. The reserve price, if any, shall not be disclosed to bidders.
- 3.4 Before commencement of the bidding for a property the auctioneer shall announce whether the vendor has reserved the right to bid one or more times at any level below the reserve price at the auction and, if so:
 - (a) Whether the member has been appointed to bid on behalf of the vendor and, in such case, that all bids made on behalf of the vendor will be made and declared by the auctioneer; or
 - (b) Whether the vendor or some other person will be bidding on behalf of the vendor and shall identify that person in which case any bid made by that person shall be declared by the auctioneer. Neither the member nor any salesperson engaged by the member shall make or assist any other person to make any bid on behalf of the vendor in contravention of any announcement by the auctioneer pursuant to this clause. The member, or any salesperson engaged by the member, shall immediately advise the auctioneer of any bid which they believe to be made in contravention of this clause.

- 3.5 Where the vendor does not provide the auctioneer with a written reserve prior to the auction, the auctioneer shall announce that the property is to be sold without reserve and no bid shall be made by or on behalf of the vendor at the auction.
- 3.6 In making a bid on behalf of the vendor at the auction, the auctioneer shall exercise his/her independent judgement.
- 3.7 Where in advance of the auction, any contractor/employee of the member or the auctioneer has been requested to bid for a prospective purchaser, whether that purchaser is present or absent, the auctioneer will announce that fact and identify those contractors/employees who will be so bidding.
- 3.8 The auctioneer shall ensure that the amount of any bid is clearly stated.
- 3.9 The auctioneer may refuse any bid.
- 3.10 The auctioneer shall resolve any disputed bid in accordance with the terms and conditions of sale governing the auction. If such terms and conditions do not specify how disputed bids are to be resolved then the auctioneer shall resolve any disputed bid in accordance with the Particulars and Conditions of Sale by Auction 2nd Edition (or any document approved by the REINZ in substitution thereof).
- 3.11 Under no circumstances will a bid by or on behalf of the vendor be exercised by the auctioneer at or in excess of the vendor's reserve price.
- 3.12 The auctioneer will always clearly announce if the property is about to be sold under the hammer.
- 3.13 Subject to the reserve price being reached, the highest bidder shall be the purchaser.
- 3.14 If the vendor so instructs, the auctioneer will announce during the course of the auction that in the event of the property being passed in the highest bidder will have the first right of purchase of the property at the vendor's reserve price.

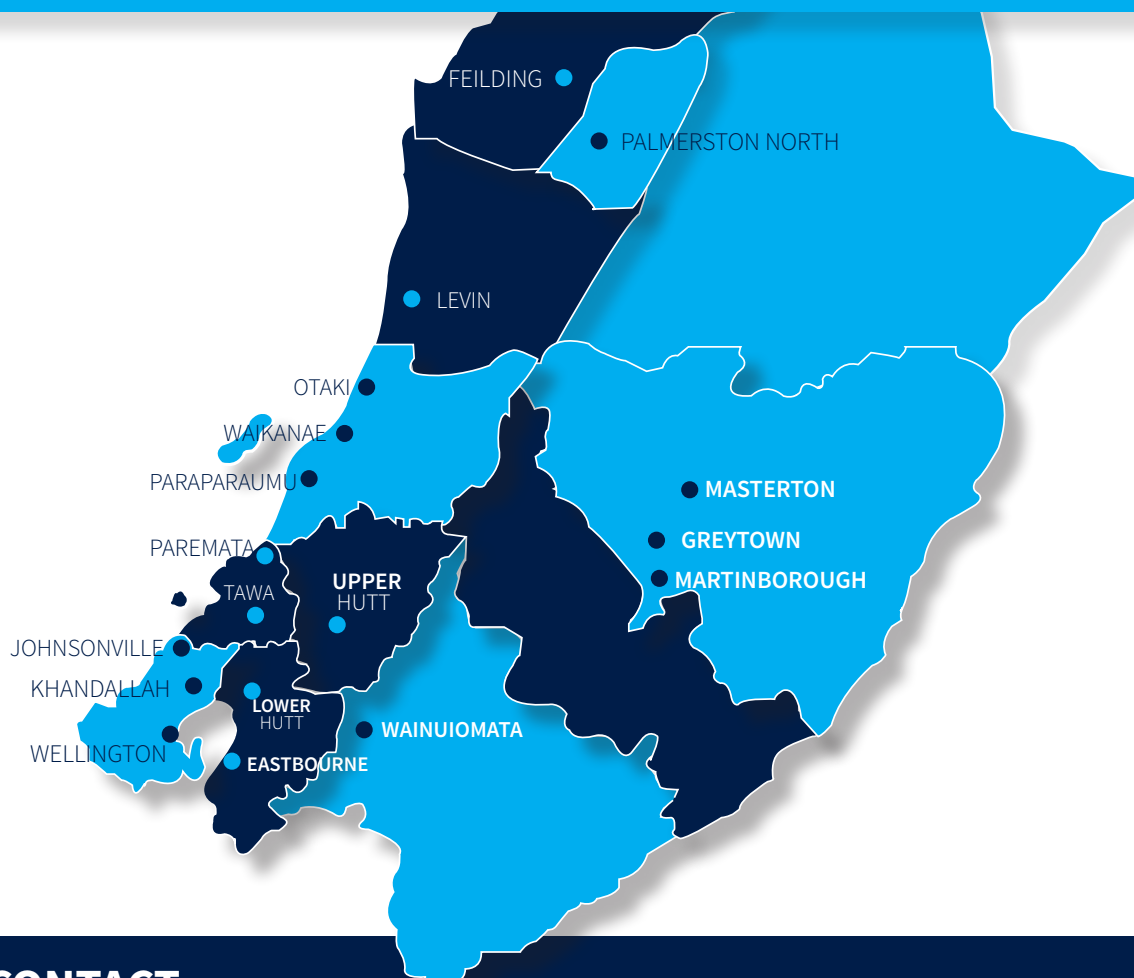
4. After the Auction

- 4.1 If a property is passed in at auction, no post-auction advertising for the property shall make any reference to any vendor bid made for the property at the auction.

5. General

- 5.1 Members shall promptly report any alleged breaches of this Code to the Real Estate Institute of New Zealand Inc in writing specifying the particulars of the alleged breach and providing originals or copies of any relevant documents.

YOUR LOCAL HARCOURTS OFFICES



CONTACT

HEAD OFFICE	04 233 2954	PAREMATA	04 233 9233	EASTBOURNE	04 562 8008
FEILDING	06 323 1088	UPPER HUTT	04 528 0435	WAINUIOMATA	04 564 7310
P.NTH	06 356 8688	TAWA	04 232 4178	GREYTOWN	06 304 8488
LEVIN	06 368 8449	JOHNSONVILLE	04 477 4444	MARTINBOROUGH	06 306 9219
OTAKI	06 364 5284	KHANDALLAH	04 479 7911	MASTERTON	06 378 8833
WAIKANA E	04 902 9631	LOWER HUTT	04 569 2096	TEAM GROUP RENTALS	04 576 2045
PARAPARAUMU	04 902 9601	WELLINGTON	04 801 5199		

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